

THE DEPARTMENT OF ENERGY
Office of Public Affairs

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**Energy Department Finalizes \$132 Million Loan Guarantee to
Support the Abengoa Bioenergy Project**

*Groundbreaking Cellulosic Ethanol Project Expected to Fund Over 300 Jobs and Build
Nation's Capacity for Cellulosic Ethanol Production*

Washington, D.C. – U.S. Energy Secretary Steven Chu today announced that the Department finalized a \$132.4 million loan guarantee to Abengoa Bioenergy Biomass of Kansas, LLC (ABBK) to support the development of a commercial-scale cellulosic ethanol plant. ABBK's parent company and project sponsor, Abengoa Bioenergy US Holding, Inc., estimates the project will fund approximately 300 construction jobs and 65 permanent jobs. The project will be located in Hugoton, Kansas, about 90 miles southwest of Dodge City, Kansas.

“Investing in a domestic advanced biofuels industry will help us compete in a growing, global clean energy economy while creating jobs in rural communities across the country,” said Secretary Chu. “At the same time, these investments will help us reduce carbon emissions and decrease our dependence on oil.”

The project is expected to convert approximately 300,000 tons of agricultural crop residues, including corn stover (stalks and leaves), into approximately 23 million gallons of ethanol per year using an innovative enzymatic hydrolysis process. The project maximizes the use of agricultural crop residues that would otherwise not be utilized and uses feedstock that does not compete with feed grains. Annually, the project is expected to displace over 15.5 million gallons of gasoline, which will avoid over 139,000 tons of carbon dioxide emissions. The facility will be self sufficient, using unconverted biomass to generate 20 megawatts of electricity to power the cellulosic ethanol plant. ABBK expects more than 90 percent of the project's sourced components to be produced in the U.S.

Loan applications reviewed by the Department have undergone many months of due diligence and often receive bipartisan support. DOE evaluates the technical aspects of an application to make sure the technology is feasible, work to ensure that projects can be built to scale, do extensive market analysis to ensure there is a place in the market for the product, and evaluate the finances of the project to ensure it is commercially viable. We are confident that supporting these projects will help American companies compete in the global clean energy market.

The Department of Energy's Loan Programs Office (LPO) administers three separate programs: the Title XVII Section 1703 and Section 1705 loan guarantee programs, and the Advanced Technology Vehicle Manufacturing (ATVM) loan program. The Title XVII loan guarantee programs support the deployment of commercial technologies along with innovative technologies that avoid, reduce, or sequester greenhouse gas emissions, while the ATVM loan program supports the development of advanced vehicle technologies. To date, the Department has issued loans, loan guarantees or offered conditional commitments for loan guarantees totaling nearly \$40 billion to support more than 40 clean energy projects across the United States, including several of the world's largest solar generation facilities, three geothermal projects, the world's largest wind farm, and the nation's first new nuclear power plant in three decades. For more information, please visit <http://www.lpo.energy.gov>.

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